



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
WASHINGTON, DC 20350

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From: Director of Naval Intelligence  
To: Director, Intelligence Community Staff  
Subj: Implementation of Capabilities Programming and Budgeting  
(CPB) System

1. Over the past weeks my budget personnel have had extensive discussions with GDIP and IC staff personnel about the structuring and implementation of the Capabilities Programming and Budgeting System. Clearly, the new CPB system will be a useful vehicle for the DCI as well as Naval Intelligence in the long term. For the immediate future, however, I am concerned about the demands which will be placed upon us in the first year or so as we adapt to the new system.

2. The following are my main concerns:

a. Under the CPB system, we will be required to provide more data while simultaneously maintaining our present system in order to respond to OSD, OMB, and Congressional inquiries. In the case of the Naval Intelligence Support Center, for example, the number of computer records to be created and maintained would increase by 400-500 percent. There would be a six- or seven-fold increase in our decision units supporting operational commanders.

b. We have good procedural relationships with the Navy Programming Office, Navy Comptroller and OSD concerning data submission schedules. The schedule for the submission and review of the CPB will force us to return to a dual program/budget submission.

c. Finally, CPB will not be directly transferable into the DoD PPBS. A second computer system will have to be established and maintained in order to allow for a smooth transition from budget formulation and justification to budget execution.

3. I hope that we will be allowed sufficient latitude in implementing the new system so as to be able to continue to satisfy everyone's requirements.

S. SHAPIRO  
Rear Admiral, U. S. Navy

NAVY review completed